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SEC MAIL PROCEEDING  
MAR 05 2018  
WASH, D.C.



18006878

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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	August 31, 2020
Estimated average burden	
hours per response.....	12.00

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

MAR 05 2018  
Washington DC  
408

SEC FILE NUMBER
8-45110

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/17 AND ENDING 12/31/17  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Pacific Global Fund Distributors, Inc.**

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**101 N. Brand Blvd., Suite 1950**

(No. and Street)  
**Glendale CA 91203**  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**Catherine L. Henning (818) 245-7530**  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**BBD LLP**

(Name - if individual, state last, first, middle name)  
**1835 Market St. 26th Floor Philadelphia PA 19103**  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

- ☒ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident in United States or any of its possessions.

<b>FOR OFFICIAL USE ONLY</b>

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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## OATH OR AFFIRMATION

I, Catherine L. Henning, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Pacific Global Fund Distributors, Inc., as of December 31, 2017, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Signature

President

Title

Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

*\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

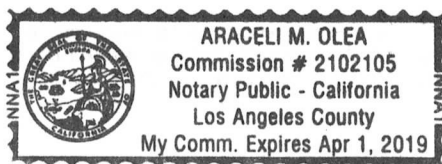
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 28th day of February, 2018, by Catherine L. Henning, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Araceli M. Olea  
Notary Public



Pacific Global Fund Distributors, Inc.

Statement of Financial Condition

December 31, 2017

Contents

Report of Independent Registered Public Accounting Firm.....1

Statement of Financial Condition:

Statement of Financial Condition .....2

Notes to Statement of Financial Condition.....3



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Directors and Shareholders of  
Pacific Global Fund Distributors, Inc.**

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Pacific Global Fund Distributors, Inc. as of December 31, 2017, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Pacific Global Fund Distributors, Inc. as of December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

This financial statement is the responsibility of Pacific Global Fund Distributors, Inc.'s management. Our responsibility is to express an opinion on Pacific Global Fund Distributors, Inc.'s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Pacific Global Fund Distributors, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

**BBD, LLP**

**BBD, LLP**

*We have served as Pacific Global Fund Distributors, Inc.'s auditor since 2015.*

**Philadelphia, Pennsylvania  
February 28, 2018**

Pacific Global Fund Distributors, Inc.

Statement of Financial Condition

December 31, 2017

**Assets**

Cash	\$ 63
Commissions receivable	10,937
Investments at fair value (cost – \$52,242)	47,450
Prepaid expenses	18,172
Total assets	<u>\$ 76,622</u>

**Liabilities and shareholder's equity**

Commissions payable to brokers	\$ 3,682
Accounts payable to related party	16,928
Accounts payable and accrued expenses	18,402
Total liabilities	<u>39,012</u>

**Shareholder's equity:**

Common stock, no par value:	
Authorized, issued, and outstanding 10,000 shares	449,610
Accumulated deficit	<u>(412,000)</u>
Total shareholder's equity	<u>37,610</u>
Total liabilities and shareholder's equity	<u>\$ 76,622</u>

*See accompanying notes.*

# **Pacific Global Fund Distributors, Inc.**

## **Notes to Statement of Financial Condition**

December 31, 2016

### **1. Organization**

Pacific Global Fund Distributors, Inc. (the Company) was incorporated on June 25, 1992. The Company is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority. The Company, a wholly owned subsidiary of Pacific Global Investment Management Company (the Advisor), serves as the distributor of capital shares and as an introducing broker for trading of portfolio securities of Pacific Advisors Fund Inc. (the Fund). The Advisor also acts as the Investment Manager for the Fund.

The Company neither carries customer accounts nor performs custodial functions related to customer securities and is, therefore, exempt from the provisions of Rule 15c3-3 of the Securities and Exchange Commission.

### **2. Summary of Significant Accounting Policies**

#### **Basis of Accounting**

The accompanying financial statement is presented in accordance with U.S. generally accepted accounting principles.

#### **Investments**

The Company's investments in the various series ("Funds") of the Fund are recorded at the quoted net asset values.

#### **Investment Valuation**

The Company's investments in the Funds have been classified in the fair value hierarchy (as defined in U.S. generally accepted accounting standards) as a Level I type investment (i.e., quoted prices are available in active markets for the investment).

## **Prepaid Expenses**

Prepaid expenses mainly consist of prepaid regulatory fees.

## **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Management believes that the estimates utilized in preparing this financial statement are reasonable and prudent. Actual results could differ from these estimates.

## **3. Net Capital Requirements**

Pursuant to the Uniform Net Capital requirements of the Securities and Exchange Commission under Rule 15c3-1, the Company is required to maintain a minimum net capital equal to the greater of \$5,000 or 6-2/3% of the aggregate indebtedness, as defined. In addition, the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. The Company's net capital was \$11,918, which was \$6,918 in excess of its required net capital of \$5,000. The ratio of aggregate indebtedness to net capital was 3.27 to 1 at December 31, 2017. The Company was in compliance with the net capital requirements.

## **4. Income Taxes**

The Company has a federal and state tax allocation agreement with the Advisor whereby it is allocated an income tax expense/benefit on a pro-rata basis. The Company files a consolidated tax return with the Advisor for federal tax purposes and a combined tax return for state tax purposes.

Management has analyzed the Company's tax positions taken on federal income tax returns for all open tax years and positions expected to be taken for the year ended December 31, 2017 and has concluded that there is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions. Tax years 2014, 2015 and 2016 are still subject to examination by major federal jurisdictions. Tax years 2013, 2014, 2015 and 2016 are still subject to examination by major state jurisdictions.

Deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities, using enacted tax rates in effect for the year in which the differences are expected to reverse.

#### 4. Income Tax (continued)

Deferred tax assets and liabilities consist of the following as of December 31, 2017:

Deferred tax asset:	
Tax net operating and capital loss carryforward	\$ 89,199
Less valuation allowance	<u>(89,199)</u>
Deferred tax asset after valuation allowance	-
Deferred tax liabilities	<u>-</u>
Deferred tax assets/liabilities, net	<u><u>\$ -</u></u>

As of December 31, 2017, no tax benefit has been recorded as utilization of the net operating loss carryforwards is uncertain. At December 31, 2016, the Company has net operating and capital loss carryforwards of \$389,793 for income tax purposes that expire in 2029 through 2037.

#### 5. Related Parties

As discussed in Note 1, the Company derives all of its commissions income from the Funds and trades executed by the Funds.

The Advisor provides personnel and certain other support services to the Company. The cost of these services will be reimbursed by the Company. Certain officers of the Company are also officers of the Advisor and of the Fund. As of December 31, 2017, the payable to the Advisor of the Fund was \$16,928.

#### 6. Indemnifications

The Company enters into contracts that contain a variety of indemnifications. The Company's maximum exposure under these agreements is not estimable. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of a material loss to be remote.

#### 7. Subsequent Events

The Company has completed an evaluation of all subsequent events and has concluded that no subsequent events occurred which would require recognition or disclosure.